

**EXHIBIT A**

**TARIFF FOR GAS SERVICE**

**ATMOS ENERGY CORP.,  
MID-TEX DIVISION**

<b>RIDER:</b>	<b>Rider GCR - Gas Cost Recovery</b>	
<b>APPLICABLE TO:</b>	<b>Entire System</b>	<b>REVISION: DATE:</b>
<b>EFFECTIVE DATE: October 1, 2008</b>		<b>PAGE: 2 OF 3</b>

Any amount remaining in the reconciliation balance after the conclusion of the period of amortization will be maintained in the reconciliation balance and included in the collection of the next RF.

Atmos Energy shall file annual reports with the Commission, providing by month the following amounts: Gas Cost Written Off, Margin Written Off, Tax and Other Written Off, Total Written Off, Gas Cost Collected and Margin Collected.

TXS = Any statutorily imposed assessments or taxes applicable to the purchase of gas divided by the estimated total residential, commercial, and industrial sales.

ADJ = Any surcharge or refund ordered by a regulatory authority, inclusive of interest, divided by the estimated total residential, commercial, and industrial sales.

**(b) Pipeline Cost**

**Method of Calculation**

Each month, a Pipeline Cost Factor (PCF) is calculated separately for each Pipeline Cost Rate Class listed below. The formula for the PCF is:

$PCF = PP / S$ , where:

$PP = (P - A) \times D$ , where:

P = Estimated monthly cost of pipeline service calculated pursuant to Rate CGS

D = Pipeline service allocation factor for the rate class as approved in the Company's most recent rate case, as follows:

<b>Pipeline Cost Rate Class</b>	<b>Allocation Factor (D)</b>
Rate R - Residential Service	.634783
Rate C - Commercial Service	.302805
Rate I - Industrial Service and Rate T - Transportation Service	.062412

A = Adjustment applied in the current month to correct for the difference between the actual and estimated pipeline cost revenue of the second preceding month, calculated by the formula:

$A = R - (C - A2)$ , where:

R = Actual revenue received from the application of the PP component in the second preceding month.

C = Actual pipeline costs for the second preceding month.

A2 = The adjustment (A) applied to the PP component in the second preceding month.

S = Estimated Mcf or MMBtu for the rate class for the current billing month.

The PCF is calculated to the nearest 0.0001 cent.

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The Pipeline Cost to be billed is determined by multiplying the Mcf or MMBtu used by the appropriate PCF. The Pipeline Cost is determined to the nearest whole cent.

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<b>RIDER:</b>	<b>Rider CEE – Conservation &amp; Energy Efficiency</b>	
<b>APPLICABLE TO:</b>	<b>Entire System</b>	<b>REVISION: DATE:</b>
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**RIDER CEE – Conservation & Energy Efficiency****Purpose**

Atmos Energy Mid-Tex is proposing to institute a complete Conservation & Energy Efficiency program which will offer assistance to qualified customer segments in reducing energy consumption and lowering energy utility bills. The proposal is one where Atmos Energy shareholders will fund a percentage of the allowable expenses incurred annually, with a customer rate component providing the remainder of the funding. Following is a high-level, concept summary of the proposal. Atmos Energy Mid-Tex Division proposes to work with the communities it serves to develop the details of a new tariff and programs addressing conservation and energy efficiency.

**Synopsis:**

Voucher system to provide free energy savings materials and supplies to qualifying customers of Atmos Mid-Tex. Qualified Customers will receive up to two hundred dollars (\$200.00) worth of caulking, weather-stripping, sheathing, sealing, water heater blankets, and like materials, other energy saving devices such as clock-thermostats, set-back devices ("covered items") from approved suppliers / retailers. Company will undertake efforts to enlist support from community groups, including its own Employee Action Program, to assist customers with installation. If it is determined that professional installation capabilities are necessary, the parties will agree on labor assistance amounts.

**Eligibility**

Low Income – Low-income rate-payers that qualify for heating bill assistance through LIHEAP agencies and all agencies that distribute Atmos "Share the Warmth" funds. Agencies that allocate assistance funds denote customer as Low Income, a status that lasts for one year.

Senior Citizen – Primary account holder can request eligibility through ATM call center or web-site. Customer provides primary SSN which is verified through Social Security Administration. And account holder that is or turns 65 years old in that year becomes eligible.

**Funding**

Initial program funding will be at two million dollars (\$2,000,000). Atmos Energy shareholders will contribute one million dollars (\$1,000,000.00) to this initiative annually with ratepayers providing one million dollars (\$1,000,000.00) per year. It is proposed that the program operate on an October 1 through September 30 year, with benefits being capped at the two million dollar level for the initial program period.

**Administration:**

A third-party administrator will coordinate qualification of customers, voucher distribution, subsequent verification and reimbursement of eligible expenditures and general program administration. Program administration expenses will be funded from the annual approved budget.

Program audits will be conducted and the results provided to any interested party within 120 days of the end of each program year to determine effectiveness.

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<b>RIDER:</b>	<b>Rider WNA – Weather Normalization Adjustment</b>	
<b>APPLICABLE TO:</b>	<b>Entire System</b>	<b>REVISION: DATE:</b>
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**RIDER WNA – Weather Normalization Adjustment**

Provisions for Adjustment

The base rate per Mcf (1,000,000 Btu) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential, and commercial bills based on meters read during the revenue months of November through April.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Mcf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- $i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Mcf
- $R_i$  = base rate of temperature sensitive sales for the  $i^{th}$  schedule or classification approved by the entity exercising original jurisdiction.
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification calculated as the slope of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification and weather station as part of the RRM filing.
- $NDD$  = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- $ADD$  = billing cycle actual heating degree days.
- $BL_i$  = base load sales for the  $i^{th}$  schedule or classification calculated as the y-intercept of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification

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and weather station as part of the RRM filing.

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where  $q_{ij}$  is the relevant sales quantity for the jth customer in ith rate schedule.

#### Filings with Entities Exercising Original Jurisdiction

As part of its annual RRM filing the Company will file (a) a copy of each computation of the Weather Normalization Adjustment Factor, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, (c) a schedule showing the factors of values used in calculating such Weather Normalization Adjustment and (d) a random sample and audit of thirty (30) actual customer bills, with customer information deleted, for each rate schedule or classification to which the WNA was applied in the preceding 12 month period. To the extent that source data is needed to audit the WNA application, such data will be provided by the Company as part of the annual RRM filing.

If the RRM is discontinued, as provided in the Rider RRM tariff, the information required herein to be filed with the entities exercising original jurisdiction shall be filed on March 1 of each year.

#### Base Use/Heat Sensitivity (HSF) Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use Mcf	HSF Mcf/HDD	Base use Mcf	HSF Mcf/HDD
Abilene	1.14	.0131	8.11	.0631
Austin	1.31	.0136	18.05	.0669
Dallas	1.57	.0185	18.08	.0925
Waco	1.20	.0138	10.97	.0606
Wichita Falls	1.27	.0147	11.58	.0581

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Sample WNAF<sub>i</sub> Calculation:

$$.1533 \text{ per Mcf} = 1.2267 \times \frac{(.0131 \times (30-17))}{(1.14 + (.0131 \times 17))}$$

Where

i = Residential Single Block Rate Schedule

R<sub>i</sub> = 1.2267 per MCF (Rate R - Final Order GUD No. 9670)HSF<sub>i</sub> = .0131 (Residential - Abilene Area)

NDD = 30 HDD (Simple ten-year average of Actual HDD for Abilene Area – 9/15/06 – 10/14/06)

ADD = 17 HDD (Actual HDD for Abilene Area – 9/15/06 – 10/14/06)

Bl<sub>i</sub> = 1.14 Mcf (Residential - Abilene Area)

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RIDER:	Rider RRM – Rate Review Mechanism	
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**RIDER RRM – RATE REVIEW MECHANISM****Purpose:**

This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on a system wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This adjustment will be authorized for an Initial Implementation Period. With the conclusion of the final rate adjustment, if any, for the Initial Implementation Period, each entity having original jurisdiction may revoke, amend, or approve Subsequent Implementation Period(s) for, the mechanism.

**Definitions**

- a) The **Annual Evaluation Date** shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 1, of each year. This filing shall be effective in electronic form where practicable. The initial filing shall be made the later of March 31, 2008 or upon approval of this tariff.
- b) **Audited Financial Data** shall mean the Company's books and records related to the Company's Mid-Tex operating area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit.
- c) The **Evaluation Period** is defined as the twelve month period ending December 31, of each calendar year. The initial Evaluation Period shall be calendar year 2007.
- d) The **Rate Effective Period** is defined as the earlier of the twelve month period for which rates determined under this mechanism will be in effect or subsequent rates are implemented.
- e) **Per Connection Basis** is defined as the existing average number of Mid-Tex active meters to customers during the Evaluation Period.
- f) **Initial Implementation Period** is defined as the three (3) year period commencing with the Company's filing under this mechanism for the calendar year 2007, effective October 1, 2008, and shall conclude with the implementation of rate adjustments, if any, for the third Rate Effective Period.
- g) **Subsequent Implementation Period** is defined as any three (3) year period after the conclusion of the Initial Implementation Period.
- h) **Final Order** is defined as the most recent order establishing the Company's latest effective rates for the area in which the mechanism is implemented, and shall include municipal rate ordinances and resolutions.
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Rate Review Mechanism

The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below for the Evaluation Period, with the filing to be made by the Annual Evaluation Date following the end of the Evaluation Period. The schedules, which will be based upon the Company's Audited Financial Data, as adjusted, and provided in the same format as Atmos' rate filing with municipalities on September 20, 2007, will include the following:

- a) Company's 13 month average actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, working capital, and other rate base components for the Evaluation Period. A 13 month average will be used for these items for the true up calculation; Evaluation Period ending balances for these items will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. Cash working capital will be calculated using the lead/lag days approved in the Final Order. Accumulated deferred income taxes (ADIT) will be calculated using the methodology used in the Final Order. The RRM Schedules & Information section of this tariff identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations.
  - b) The Company's depreciation expense, operating and maintenance expense, and taxes other than income taxes booked in the period will be used for the true-up calculation purposes. Depreciation rates booked in the period will be those approved in the Final Order, or the rate most recently approved. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff, or in the most recent order addressing the methodology. In addition, the Company shall exclude from operating and maintenance expense the discretionary costs to be disallowed from Rider RRM filings listed in the RRM Schedules and Information section of this tariff.
  - c) Return on Equity (ROE) shall be maintained at 9.6%.
  - d) Cost of debt will reflect actual cost for the Evaluation Period. A 13 month average cost of debt and capital structure will be used for the true up calculation; Evaluation Period ending balances for cost of debt and capital structure will be used for the calculation of rates for the Rate Effective Period. Capital structure will be the actual Evaluation Period ratio of long-term debt and equity, with percentage equity not to exceed the percentage established in the Final Order in G.U.D. No. 9670 (48.1% equity), based on the calculation methodology outcomes used above.
  - e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include:
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- 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants for the Rate Effective Period.
  - 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Evaluation Period.
- f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Evaluation Period, but the methodology used will be that approved in the Final Order.

Calculation of Rate Adjustment

- a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order, a 13 month average will be used for the specified items for the true up calculation, Evaluation Period ending balances will be used for the calculation of rates for the Rate Effective Period. These schedules shall identify the rate adjustments necessary for both a true-up of revenue for the Evaluation Period and the setting of prospective rates for the Rate Effective Period. The net result of these rate adjustments shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be made pro-ratably to the customer charge and usage charge based upon actual revenue generated, as adjusted under the Company's approved Weather Normalization Adjustment (WNA) Rider. Provided, however, that neither the Residential nor the Commercial customer charges may increase more than 20% per year.
- b) If Company's earnings during the Evaluation Period exceed 9.6% return on common equity, the Company shall calculate a decrease to rates to reduce the revenue required to achieve a return on equity of 9.6% for the Evaluation Period. If Company's earnings during the Evaluation Period are below 9.6% return on common equity, the Company shall calculate an increase in rates to collect the additional revenue required to increase its return on equity for the Evaluation Period to 9.6%. In order to avoid double-counting of true-up revenues, any true-up revenue booked during the Evaluation Period that is related to prior periods will be removed in determining both the prospective rates for the Rate Effective Period and the true-up increase or decrease related to the current Evaluation Period. . The RRM Schedule & Information section of this tariff provides an example calculation. After the prospective rates for the Rate Effective Period are calculated, the true-up element shall be added to or deducted from those rates in order to determine the rates that shall thereafter be recovered.
- c) The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs including, but not limited to, all payroll and compensation expense, all benefit expense, all pension expense, insurance costs, materials and supplies, bad debt costs, all medical expense, transportation and building and lease costs for the Rate Effective Period. Provided, however, that adjustments may only be made for costs that are reasonable and necessary. Additionally, utility plant and rate base for the Rate

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Effective Period will be established by using the Evaluation Period ending balances, including associated changes in depreciation and amortization expense and taxes. In calculating the Company's known and measurable changes for prospective RRM adjustment purposes, the following limitations will apply, on a Per Connection Basis.

1. Operating and Maintenance expenses per connection for the Rate Effective Period cannot increase more than 5% per year without specific identification and justification. Any proposed adjustment above 5% per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively to seek agreement on the proposed adjustments to the Company's schedules and proposed rates. Justification for such expenditures over the cap shall include an event or combination of events beyond the control of the Company. The beginning adjusted Operation and Maintenance expense per connection for the 2007 RRM Evaluation Period will be limited to not exceed \$151 million divided by the connections for the period. The increase in adjusted Operation and Maintenance expenses per connection for the 2008 Rate Effective Period and subsequent Rate Effective periods cannot exceed 5% per year, without specific identification and justification. The RRM Schedule & Information section of this tariff provides an example calculation of the 5% limit.
2. Net plant investment per connection for the Rate Effective Period cannot increase more than 5% per year without specific identification and justification. Any proposed adjustment above 5% per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively seek agreement on the proposed adjustments to the Company's schedules and proposed rates. However, in performing a cap test to verify compliance, Company shall exclude any changes in net plant investment associated with federal, state, or local mandates related to safety, compliance, or road moves. The 2007 true up calculation shall be made using the net plant investment of \$1,243,607,206. The initial 2008 prospective rate will be set using net plant limited to not exceed [\$1,243,607,206 divided by average active meters for the 12 months ended June 30 2007] times 1.025 times the average active meters for calendar year 2007. Subsequent filing calculations of net plant investment will be made using the same method used in the Company's September 20, 2007 Statement of Intent with the following exceptions: 1) A 13 month average will be used for net plant in the true up calculation and 2) Evaluation Period ending balances will be used for net plant in the calculation of rates for the Rate Effective Period.

The rate increase limitations set forth in this tariff shall not preclude the Company from recovering any excluded net plant costs during a subsequent Evaluation Period in which the 5% limitation for net plant investment is not reached or in a subsequent Statement of Intent case. To the extent that the Company seeks to recover any excluded net plant costs during a subsequent Evaluation Period in which the 5% limitation for net plant investment is not reached or in a subsequent Statement of Intent case, the Company shall

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identify these costs as a specific line item in the schedule accompanying the RRM rate adjustment filing.

The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent Evaluation Period or Statement of Intent filing.

- d) The Company also shall provide a schedule demonstrating the “proof of revenues” relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order.

Attestation

A sworn statement shall be filed by the Company’s Chief Officer in Charge of Mid-Tex Operations affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed.

Evaluation Procedures

The regulatory authority having original jurisdiction over the Company’s rates shall have no less than ninety (90) days to review the Company’s filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions.

During and following the ninety (90) day review period and a thirty (30) day response period, the Company and the regulatory authority will work collaboratively and seek agreement on, the proposed adjustments to the Company’s schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company’s rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the thirty (30) day response period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority’s action or inaction to the Railroad Commission of Texas. Upon the filing of any appeal, the Company shall have the right to implement the proposed RRM rate adjustment, subject to refund.

If approved by the entity exercising original jurisdiction, the rates established pursuant to the Rate Review Mechanism for the first Rate Effective Period shall be effective on October 1, 2008. Thereafter, rates established pursuant to the Rate Review Mechanism for subsequent Rate Effective Periods, if approved as provided herein, shall be effective on July 15 of each year.

Reconsideration and Appeal

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Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

Notice

Notice of the annual Rate Review Mechanism filing shall be provided pursuant to Section 104.103, TEX. UTIL. CODE ANN. no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;
- c) the service area or areas in which the proposed rate adjustment would apply;
- d) the date the proposed rate adjustment was filed with the regulatory authority; and
- e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained.

**RRM Schedules and Information**

**Accumulated Deferred Income Tax ("ADIT") Items To Be Recognized in Rate Base**

The following list identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations:

**Mid-Tex:**

Gas Plant in Service  
Insurance Accruals  
Benefit Accruals  
Deferred Expense Projects  
Allowance for Doubtful Accounts  
Customer Advances  
UNICAP Section 263A Costs (which shall be removed from Atmos Mid-Tex when these costs are transferred to Atmos Pipeline Texas)  
Regulatory Asset - Mid Tex  
Regulatory Liability - Mid-Tex  
Other Plant

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Accumulated Deferred Income Tax ("ADIT") Items To Be Recognized in Rate Base (continued):**SSU - Customer Support:**

Gas Plant in Service

**SSU - General Office:**

Gas Plant in Service

Insurance Accruals

Benefits Accruals

Deferred Expense Projects

Prepaid Expenses

Regulatory Liability - Atmos 109

FAS 115 Adjustment

Treasury Lock Adjustment

Revenue Agent Report Carryforward Adjustments 1990-1985

Tax Net Operating Loss Credit Carryforwards

State Bonus Depreciation

R &amp; D Credit Valuation Allowance

Other Plant

Discretionary Costs to Be Disallowed from Rider RRM filings

The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider RRM filings for the Evaluation Period and for the Rate Effective Period:

Amounts incurred for travel, meals or entertainment of employee spouses.

Amounts for air travel that exceed published commercial coach air fares.

Amounts incurred for hotel rooms exceeding \$250 per night inclusive of taxes and fees assessed on such rooms.

Amounts for alcoholic beverages.

Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs.

Amounts for social club dues or fees.

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## Example Calculation A - Revenue for RRM True-Up Portion of Rate

\*\*FOR ILLUSTRATION PURPOSES ONLY.  
AMOUNTS ARE HYPOTHETICAL, AND DO NOT CORRESPOND  
WITH OTHER EXAMPLE SCHEDULES\*\*

	Calendar 2007	Calendar 2008	Calendar 2009	Calendar 2010	Calendar 2011
Per Books Revenue, excluding True-Up Revenue from prior Evaluation Periods	\$150,000	\$156,000	\$157,700	\$158,200	\$158,700
Per-Books True-Up Revenue based on 2007 Evaluation Period [1]		800	1,200		
Per-Books True-Up Revenue based on 2008 Evaluation Period [1]			(364)	(546)	
Per-Books True-Up Revenue based on 2009 Evaluation Period [1]				234	351
Total Per-Books Revenue	\$150,000	\$156,800	\$158,536	\$157,888	\$159,051
Add / (Subtract):					
Revenue from Riders GCR, FF, & TAX	(110,000)	(111,000)	(112,000)		
Surcharges for Rate Case Cost Recovery	(200)	(200)	(200)		
True-Up Revenue for 2007 Evaluation Period [1]		(800)	(1,200)		
True-Up Revenue for 2008 Evaluation Period [1]			364		
Remove out-of-period and unusual items	-	-	-		
Realized Revenue for True-Up Calculation	39,800	44,800	45,500		
Revenue Requirement at 9.6% ROE [2]	41,800	43,890	46,085		
True-Up Increase (Decrease), subject to Revenue- Related Tax Gross-up	\$ 2,000	\$ (910)	\$ 585		

[1] For illustration purposes, example assumes 40% of the total calculated true-up is collected in the following calendar year. Each true-up is subject to a proof of collection or refund after the collection/refund period, and any residual amount will be refunded or collected in the subsequent period.

[2] Since realized revenue for the true-up calculation excludes Riders GCR, FF, and TAX, as well as surcharges for rate case cost recovery, the revenue requirement for purposes of the true-up calculation also excludes all corresponding expenses for the Evaluation Period.

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## Example Calculation B - Revenue for RRM Prospective Portion of Rate

\*\*FOR ILLUSTRATION PURPOSES ONLY.  
AMOUNTS ARE HYPOTHETICAL, AND DO NOT CORRESPOND  
WITH OTHER EXAMPLE SCHEDULES\*\*

	Oct 2008 - Sept 2009	July 15, 2009 - July 14, 2010	July 15, 2010 - July 14, 2011
Rate Effective Period Revenue Price-Out at Current Rates [1]	\$ 60,000	\$ 65,000	\$ 68,000
Remove True-Up Portion of Revenue [2]		(2,500)	1,100
Revenue at Current Rates for Rate Effective Period Deficiency Calculation	60,000	62,500	69,100
Revenue Requirement for Rate Effective Period	65,000	68,250	71,663
Rate Effective Period Revenue Increase / (Decrease) before True-Up, subject to Revenue Tax Gross-Up [3]	\$ 5,000	\$ 5,750	\$ 2,563

- [1] To be calculated using pro-forma annualized billing determinants, as provided for in this tariff, priced out at the current rates at the time of the deficiency calculation.
- [2] To be calculated using pro-forma annualized billing determinants, as provided for in this tariff, priced out at the portion of current rates at the time of the deficiency calculation intended to true up prior Evaluation Period(s).
- [3] This represents the prospective deficiency portion of the RRM adjustment. The true-up adjustment, demonstrated in Example Calculation A, will be combined with this adjustment to determine the total adjustment for the Rate Effective Period.

TARIFF FOR GAS SERVICE

EXHIBIT A

ATMOS ENERGY CORP.,  
MID-TEX DIVISION

RIDER:	Rider RRM – Rate Review Mechanism	
APPLICABLE TO:	Entire Mid-Tex Division	REVISION DATE:
EFFECTIVE DATE:		PAGE: 10 of 10

Example Calculation C - Operation & Maintenance Expense Cap Test

**\*\*All Amounts are Hypothetical, and do not correspond with other example calculations\*\***

Evaluation Period (Calendar Year)	<u>2007</u>	<u>2008</u>	<u>2009</u>
Benchmark O&M Per Connection (increased 5% annually)	\$ 97.23	\$ 102.09	\$ 107.19
Gas Service Connections [1]	1,553,000	1,560,000	1,567,000
Maximum O&M Allowed	\$ 151,000,000	\$ 159,260,400	\$ 167,966,730

[1] For illustration purposes only, Gas Service Connections are estimated for 2007 and are assumed to increase 7,000 connections per year. Therefore, 'Maximum O&M Allowed' is estimated for 2008 and 2009. Actual Gas Service Connections for 2007 will be used to calculate the 2007 O&M per Connection. For each subsequent Evaluation Period, the prior period O&M per Connection will be increased by 5%, and then multiplied by the actual Gas Service Connections for the same period to derive the 'Maximum O&M Allowed'.



**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**REVENUE REQUIREMENTS BY SERVICE CLASS**  
**TEST YEAR ENDING JUNE 30, 2007**  
**EXHIBIT B TO SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY AND THE ATM CITIES**

Line No.	Description (a)	Current Revenues (b)	Proposed Revenues <sup>1</sup> (c)	Proposed Change (d)	Percent Change (e)
1	Residential (Base Revenue)	\$ 277,485,494	\$ 280,887,686	\$ 3,402,192	1.23%
2	Residential (Rider GCR)	625,991,761	625,991,761	-	0.00%
3	Residential (Rider FF & Rider TAX)	52,488,696	52,686,332	197,637	0.38%
4	Total Residential	\$ 955,965,951	\$ 959,565,779	\$ 3,599,828	0.38%
5					
6	Commercial (Base Revenue)	\$ 59,666,416	\$ 65,119,647	\$ 5,453,231	9.14%
7	Commercial (Rider GCR)	399,910,917	399,910,917	-	0.00%
8	Commercial (Rider FF & Rider TAX)	26,699,748	27,016,551	316,803	1.19%
9	Total Commercial	\$ 486,277,080	\$ 492,047,115	\$ 5,770,035	1.19%
10					
11					
12	Industrial/Transportation (Base Revenue)	\$ 8,461,218	\$ 9,057,219	\$ 596,001	7.04%
13	Industrial/Transportation (Rider GCR)	33,616,178	33,616,178	-	0.00%
14	Industrial/Transportation (Rider FF & Rider TAX)	2,444,541	2,479,166	34,625	1.42%
15	Total Industrial/Transportation	\$ 44,521,937	\$ 45,152,563	\$ 630,625	1.42%
16					
17	Other Revenue (Base Revenue)	\$ 17,418,758	\$ 17,418,758	\$ -	0.00%
18	Other Revenue (Rider GCR)	-	-	-	0.00%
19	Other Revenue (Rider FF & Rider TAX)	1,011,966	1,011,966	-	0.00%
20	Total Other Revenue	\$ 18,430,724	\$ 18,430,724	\$ -	0.00%
21					
22	Base Revenue	\$ 363,031,887	\$ 372,483,310	\$ 9,451,423	2.60%
23	Rider GCR	1,059,518,856	1,059,518,856	-	0.00%
24	Rider FF & Rider TAX	82,644,951	83,194,015	549,064	0.66%
25	Total Operating Revenues	\$ 1,505,195,693	\$ 1,515,196,181	\$ 10,000,488	0.66%
26					

27 Note:

28 <sup>1</sup> Proposed Revenues are the result of the application of the proposed rates to billing determinants.

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**REVENUE REQUIREMENTS**  
**TEST YEAR ENDING JUNE 30, 2007**  
**Settlement Proposal**

Line No.	Description (a)	Ref (b)	(c)	Base Revenue (d)	Rider GCR (e)	Rider FF & Rider TAX (f)	Total (g)
1							
2	Rider GCR Part A	Schedule H		\$ -	\$ 976,143,417	\$ -	\$ 976,143,417
3	Rider GCR Part B	Schedule I			83,375,439		83,375,439
4	Total Rider GCR				\$ 1,059,518,856		\$ 1,059,518,856
5							
6	Operation and Maintenance Expenses	Schedule F-1		\$ 150,891,394		\$	\$ 150,891,394
7							
8	Taxes Other than Income Taxes	Schedule F-5		20,756,918		\$ 83,194,015	103,950,933
9							
10	Depreciation and Amortization Expense	Schedule F-3		79,148,614			79,148,614
11							
12	Interest on Customer Deposits	Schedule F-7		1,593,388			1,593,388
13							
14	Rate Base	Schedule B	\$ 1,123,773,895				
15	Rate of Return	Schedule G	7.79%				
16				87,535,806			87,535,806
17							
18	Income Taxes	Schedule F-6		32,556,703			32,556,703
19							
20	<b>Revenue Requirements</b>			\$ 372,482,822	\$ 1,059,518,856	\$ 83,194,015	\$ 1,515,195,693
21							
22	Current Revenues	Schedule A				\$	\$ 1,505,195,693
23							
24	Proposed Change						\$ 10,000,000

**ATMOS ENERGY CORP., MID-TEX DIVISION  
SUMMARY PROOF OF REVENUE AT PROPOSED RATES  
TEST YEAR ENDING JUNE 30, 2007**

Line	Description	Total	Reference
	(a)	(b)	(c)
<b>Rate R</b>			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$10.69	CCS
3			
4	Consumption Charge (\$/Mcf)	\$1.2710	CCS
5			
6	Rider GCR Part A	\$7.5520	Schedule H
7	Rider GCR Part B	\$0.5990	Schedule I
8			
9	<u>Billing Units (1):</u>		
10	Bills	17,144,647	WP_J-1.1
11	Total MCF	76,798,906	WP_J-1.1
12			
13	<u>Present Revenue:</u>		
14	Customer Charge	\$ 183,276,276	
15	Consumption Charge	97,611,410	
16	Base Revenue	\$ 280,887,686	
17	Rider GCR Part A	579,988,302	
18	Rider GCR Part B	46,003,459	
19	Subtotal	\$ 906,879,447	
20	Revenue Related Taxes	52,686,332	
21			
22	Total Proposed Revenue- Rate R	\$ 959,565,779	
23			
24	Note 1: See Billing Determinants Study for details.		

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**SUMMARY PROOF OF REVENUE AT PROPOSED RATES**  
**TEST YEAR ENDING JUNE 30, 2007**

Line	Description	Total	Reference
	(a)	(b)	(c)
<b>Rate C</b>			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$20.28	CCS
3			
4	Consumption Charge (\$/Mcf)	\$0.7104	CCS
5			
6	Rider GCR Part A	\$7.5520	Schedule H
7	Rider GCR Part B	\$0.5001	Schedule I
8			
9	<u>Billing Units (1):</u>		
10	Bills	1,471,279	WP_J-1.2
11	Total MCF	49,665,131	WP_J-1.2
12			
13	<u>Present Revenue:</u>		
14	Customer Charge	\$ 29,837,538	
15	Consumption Charge	35,282,109	
16	Base Revenue	\$ 65,119,647	
17	Rider GCR Part A	375,072,987	
18	Rider GCR Part B	24,837,930	
19	Subtotal	\$ 465,030,564	
20	Revenue Related Taxes	27,016,551	
21			
22	Total Proposed Revenue- Rate C	\$ 492,047,115	
23			
24	Note 1: See Billing Determinants Study for details.		

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**SUMMARY PROOF OF REVENUE AT PROPOSED RATES**  
**TEST YEAR ENDING JUNE 30, 2007**

Line	Description	Total	Reference
	(a)	(b)	(c)
<b>Rate I &amp; T</b>			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$344.75	CCS
3			
4	Block 1 (\$/MMBTU)	\$0.2200	CCS
5	Block 2 (\$/MMBTU)	\$0.1600	CCS
6	Block 3 (\$/MMBTU)	\$0.0493	CCS
7			
8	Rider GCR Part A	\$7.5520	Schedule H
9	Rider GCR Part B	\$0.2804	Schedule I
10			
11	<u>Consumption Characteristics:</u>		
12	Block 1 (First 1,500 MMBTU)	0.21691	(1)
13	Block 2 (Next 3,500 MMBTU )	0.24651	(1)
14	Block 3 (Over 5,000 MMBTU )	0.53657	(1)
15			
16	<u>Billing Units (1):</u>		
17	Bills	11,542	WP_J-1.3
18	Block 1	9,694,939	WP_J-1.3
19	Block 2	11,018,084	WP_J-1.3
20	Block 3	23,982,442	WP_J-1.3
21	Total MMBTU	44,695,465	
22			
23	Sales Volumes	2,858,579	WP_J-1.3
24			
25	<u>Present Revenue:</u>		
26	Customer Charge	\$ 3,979,105	
27	Block 1	2,132,887	
28	Block 2	1,762,893	
29	Block 3	1,182,334	
30	Base Revenue	\$ 9,057,219	
31	Rider GCR Part A	21,082,128	
32	Rider GCR Part B	12,534,050	
33	Subtotal	\$ 42,673,397	
34	Revenue Related Taxes	2,479,166	
35			
36	Total Proposed Revenue- Rate I&T	\$ 45,152,563	
37			
38	Note 1: See Billing Determinants Study for details.		